

ARTICLE APPEARED

PHILADELPHIA INQUIRER

7 August 1983

CIA seeks more aid for Nicaraguan rebels, sources say

By Alfonso Chardy
Inquirer Washington Bureau

WASHINGTON — Despite a House vote to end covert aid to Nicaraguan rebels, the Reagan administration plans to add more men and money to the Central Intelligence Agency's not-so-secret "secret war" against the Sandinista government, CIA director William Casey reportedly has told the Senate Intelligence Committee.

The CIA plans to help increase the number of *contras*, as the U.S.-backed counterrevolutionaries are known, from the current level of about 8,000 to as many as 12,000 to 15,000 by the spring, according to sources familiar with Casey's closed-door testimony on Wednesday.

Casey denied that the administration was seeking to overthrow the Sandinistas, but he left some of the 15 members of the Republican-controlled committee with the impression that an expanded covert operation would give the *contras* the ability to trigger "political change"

in Nicaragua, congressional sources said.

Although skeptical committee members objected that the operation had so far been a failure, Casey indicated that rebel pressure had contributed to the Sandinistas' recent conciliatory stance on negotiations in Central America, the sources said. He suggested that more, not less, paramilitary pressure was needed to push the Sandinistas into additional concessions.

CIA spokesman Dale Peterson said the agency would have no comment on the matter.

Casey also told the committee that President Reagan would send it a new proposal for the enlargement of the Nicaraguan operation by mid-September, the sources said. The proposal would cover operations during fiscal 1984, which begins Oct. 1.

The proposal must be approved by a majority of the Intelligence Committee before funds for next year's covert operation can be included in

the 1984 intelligence authorization bill.

The House voted July 28 to cut off funds for the remainder of 1983, but the Senate has not acted. Meanwhile, the operations are being financed under a "continuing resolution" that allows the government to operate until appropriations bills are passed.

Casey reportedly told the committee the new plan would shift the focus of the covert operation from stopping Nicaraguan arms shipments to the guerrillas in El Salvador to pressuring the Sandinistas to do three things: lessen their links to Cuba and the Soviet Union, call elections and stop exporting revolution to their neighbors.

Casey indicated that Reagan and his chief advisers had given preliminary approval to the new proposal, but he suggested that it was still under review and had not been endorsed formally by the National Security Council or signed by the President.

Casey acknowledged that several middle-level CIA officers and State Department officials had expressed reservations about the expansion plan, the sources said.

The sources — Intelligence Committee members and their aides who asked to remain anonymous — said the CIA dissenters based their objections on moral grounds, fears that anti-CIA sentiments would be rekindled among the American people and a belief that expanded covert action could invite Cuban military intervention.

Other CIA officials reportedly informed the Senate committee and the Democratic-led House Intelligence Committee that an increase in paramilitary operations in Nicaragua could prove costlier than originally

thought, the sources said.

Congressional sources who are in contact with the intelligence community said the CIA was seeking between \$30 million and \$50 million for the Nicaragua operation in 1984. Initially it had asked for \$19.5 million, about the same as was approved

for 1982 and 1983, according to a Senate Intelligence Committee member.

A House Intelligence Committee member said the counterrevolutionary force had grown from fewer than 1,000 men in 1981 to about 8,000 today.

Congressional sources also say they understand that the CIA is seeking a total of \$300 million in 1984 — about \$100 million more than in 1983 — to finance covert operations elsewhere in Central America, particularly in El Salvador and in Guatemala, and in other parts of the world, chiefly Afghanistan and Cambodia.

The Afghanistan operation is said to involve the supply of arms, food and medicine to Afghan insurgents fighting Soviet occupation forces. It is reported to be the most expensive — costing about \$100 million a year — but not as extensive as operations in Central America.

The covert action fund, controlled by the CIA's Directorate for Opera-

tions, is included in the regular 1984 intelligence authorization legislation, a classified bill awaiting Senate debate in the fall.

The bill contains funding for the entire American network of intelligence agencies. It is believed to total between \$12 billion and \$15 billion a year, including about \$1 billion for the CIA.

The fight over the Nicaraguan operation could delay passage of the 1984 intelligence bill beyond Sept. 30, the end of this fiscal year. A delay could threaten a shutdown of American intelligence facilities because of a lack of money, the sources said.

The problem lies in the different views on Nicaragua policy in the Senate and in the House. The Senate favors a compromise that would allow the Nicaragua operation to continue in limited form; the House insists on a complete shutdown.

It also is possible that the President will veto the bill if Congress bans covert aid in Nicaragua.